



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TTY/TDD 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

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Cities of Contra Costa County

Dave Cortese, Vice Chair
Santa Clara County

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SEPTEMBER 30, 2014
ADDENDUM NO. 1
TO
REQUEST FOR PROPOSAL (RFP)
FOR REGIONAL MEANS-BASED TRANSIT FARE PRICING STUDY, DATED,
DATED AUGUST 28, 2014

Dear Consultant:

This letter is Addendum No. 1 to the Request for Proposal for Regional Means-Based Transit Fare Pricing Study, dated August 28, 2014 (RFP). Where text is revised, deleted text is shown in strike-through format; added text is *italicized*. The RFP is revised as follows:

<u>Addendum Item</u>	<u>Reference</u>	<u>Change</u>
1.	RFP, Section VI, Form of Proposal, Subarticle G, Cost Proposal, Page 8	<p>Based on the tasks and staffing plan described in response to E.1 and E.2, listed above, provide a breakdown of the expected expenditures of funds for Task 1 through Task 6 in <i>Appendix A, Scope of Work</i>. The budget should include, but is not limited to, a task budget and a line item budget with billing rates for each phase <i>task</i>.</p> <ol style="list-style-type: none"> 1. The task budget should present a breakdown of hours and expenses by task and deliverable in each phase <i>task</i> of the project. It should identify or refer to key personnel or job descriptions in relation to each task to provide a full explanation of the resources committed to the project. 2. A line item budget should be submitted for each phase <i>task</i> of the project. The line item budget should present a breakdown of costs by cost categories, including billing rates for key personnel and job classifications. The line item budget should be set forth on the <u>Cost and Price Analysis Form</u> attached hereto as <i>Appendix B</i> to this RFP. A line item budget should also be submitted for proposed sub-consultants with contracts estimated to exceed \$25,000. <i>Appendix B</i> is available in electronic spreadsheet format upon request. The line item budget is

<u>Addendum Item</u>	<u>Reference</u>	<u>Change</u>
1., continued		<p>requested for evaluation purposes only; payment for Task 1 through Task 6 in <i>Appendix A, Scope of Work</i> shall be based on receipt of deliverables satisfactory to MTC.</p> <p>3. Please include information (date and outcome) on firm's most recent pre-award audit, if applicable.</p> <p>Provide the fully loaded hourly rate (<i>inclusive of all hourly rates and all other costs including, at a minimum, salary, benefits, overhead and profit for each year of the contract term, and identifying any mark-up charged on subconsultants' hourly costs shall also be identified</i>) for all personnel who might perform work related to Task 7 in <i>Appendix A, Scope of work</i>.</p>

The remaining provisions of the RFP remain unchanged. In the event of a conflict between this Addendum and the previous version(s), this Addendum takes precedence.

Questions and Answers regarding this RFP are enclosed with this Addendum.

Any questions concerning this addendum to the RFQ should be directed to Kristen Mazur, Project Manager, at (510) 817-5789 or kmazur@mtc.ca.gov.

Sincerely,



Alix Bockelman
 Deputy Executive Director, Policy

AB:KM

**REQUEST FOR PROPOSAL (RFP)
FOR REGIONAL MEANS-BASED TRANSIT FARE PRICING STUDY, DATED
AUGUST 28, 2014**

**QUESTIONS RECEIVED FROM PROPOSERS' CONFERENCE HELD ON
SEPTEMBER 4, 2014,
AND OTHER QUESTIONS SUBMITTED**

Q1: Has the Technical Advisory Committee (TAC) been formed and who is sitting on the TAC?

A1: Metropolitan Transportation Commission (MTC) staff is in the process of forming the TAC and anticipates that TAC membership will be finalized by October 2014. MTC has proposed to structure TAC representation around interest/expertise areas, including representatives from transit, low-income/equity, and human services expertise areas.

Q2: What is the Partnership Technical Advisory Committee (PTAC)?

A2: The Bay Area Partnership Board is a confederation of the top staff of various transportation agencies in the region (MTC, public transit operators, county congestion management agencies, city and county public works departments, ports, Caltrans, U.S. Department of Transportation) as well as environmental protection agencies.

The Partnership Technical Advisory Committee (PTAC) is one of the Partnership Board's regularly scheduled subcommittee meetings, which serves as a forum for communication for the Partnership staff. For more information on the Bay Area Partnership see http://www.mtc.ca.gov/about_mtc/partner.htm. For a list of Partnership Board agencies see: http://www.mtc.ca.gov/about_mtc/partner_list.htm.

Q3: Section VI, Form of Proposal, Subarticle G, Cost Proposal of the RFP states: The RFP, Appendix A, Scope of Work breaks the project down by Tasks not phases, what are phases referenced in part 1 of Section G? Will payment be made by deliverable or at completion of task?

A3: See Addendum No. 1, Item 1, numbered paragraphs 1 and 2.

Per RFP, Section VI, Form of Proposal, Subarticle G, Cost Proposal, Item 2, "payment for Task 1 through Task 6 in *Appendix A, Scope of Work* shall be based on receipt of deliverables satisfactory to MTC."

Q4: Section VI, Form of Proposal, Subarticle G, Cost Proposal, Item 3: Can pre-award audit be answered as "not applicable"?

A4: If the information on pre-award audits is not applicable to your firm, please answer with "Not Applicable" or "N/A."

Q5: Section VI, Form of Proposal, Subarticle G, Cost Proposal, Items 1 and 2, does the cost proposal information need to be submitted as a fully loaded rate or by total amount?

A5: See Addendum No. 1, Item 1 for instructions on how to submit costs.

Q6: Are there any Disadvantaged Business Enterprise (DBE) requirements for this RFP?

A6: This project is not federally funded, so there are not DBE requirements for this RFP or the contract resultant of it.

Q7: When developing scenarios under Appendix A, Scope of Work, Task 3, should they focus only on fixed route, rail and ferry services or should Americans with Disabilities Act (ADA) or paratransit services also be included?

A7: Per the RFP, Appendix A, Scope of Work, Task 3.1, Paragraph 2, the preliminary means-based transit fare scenarios should “address the existing conditions identified in Task 2” and “the scenarios should encompass a range of possible policy tools.” The scope of work does not include a restriction against scenarios that involve ADA or paratransit services.

Q8: Should recommendations be tailored to each individual transit operator, or are we looking for a more holistic policy?

A8: Consistent with the RFP, Appendix A, Scope of Work, Section I, Project Overview, and Task 3, Paragraph 2, “each of the proposed scenarios must [...] *move towards a more consistent regional standard* for fare discount policies” (emphasis added). The scope has intentionally been written with flexibility so that as per the RFP, Section VI, Form of Proposal, Subarticle D, each Proposer could propose its proposed approach.

Q9: Should Consultant take into account the existing admin / fare collection systems when proposing fare policy, i.e., the cost impacts of changing systems?

A9: Yes, as stated in the RFP, Appendix A, Scope of Work, Task 4.1, “the detailed financial analysis for each scenario shall include the following:

- Total cost (including start-up, ongoing administration, costs to adapt the existing Clipper® card technology and/or implement with the next-generation Clipper® system, etc.) and any additional resource needs
- Revenue impacts
- Potential revenue offsets or other funding mechanisms”

Q10: Has MTC tried to identify any funding sources that could be applied towards expanded subsidies?

A10: For a discussion of this topic, please see RFP Background Document #1, *Funding for Low-Income Transit Pass Pilot Programs*, MTC Programming and Allocations Committee (PAC) Agenda Item 3d, May 9, 2012, particularly the section titled “Free or Reduced Fare Funding Options” on pages 7-8. The document is available for download at <http://bids.mtc.ca.gov/download/767>.

Q11: Without financial bounds to scenarios (e.g., a maximum dollar amount), the Consultant could waste time on scenarios that are not feasible and not viable; can MTC provide more details on limiting scenarios?

A11: The RFP, Appendix A, Scope of Work was intentionally drafted so that, before the Consultant moves forward with the qualitative and quantitative evaluation of scenarios (Task 4), there are several opportunities to solicit input from MTC staff, the TAC, and other stakeholders on the feasibility and viability of the preliminary scenarios, including during the following tasks:

- **Task 2.2:** “The Consultant will meet with MTC staff and the TAC to review existing policies and conditions and discuss implications for developing scenarios under Task 3.”

- **Task 2.3:** “The Consultant will present to the Commission (or Committee) an overview of the study to date, including the existing policies and conditions and objectives of the study.”
- **Task 3.3:** “The Consultant will meet with MTC staff and the TAC to review draft alternatives and seek feedback prior to finalizing alternatives”
- **Task 3.2:** “The Consultant will conduct 2 to 3 user or community focus groups to provide feedback on concepts and incorporate into scenarios.”

Q12: How should express lanes pricing be integrated into these scenarios?

A12: Express lanes pricing is outside of the scope of this RFP.

Q13: Are there any examples of a means-based discount program?

A13: Per RFP, Appendix A, Scope of Work, Task 2.1, Paragraph 4, the Consultant shall “review and compile brief summaries and up-to-date data on existing means-based transit fare discount programs or other low-income transit pass programs in North America.” The largest scale program that MTC staff is aware of is in Seattle, where a transit fare discount for low-income individuals will soon be offered.

For more information on the existing free or reduced-fare programs in the Bay Area, please see RFP Background Document #1, *Funding for Low-Income Transit Pass Pilot Programs*, MTC Programming and Allocations Committee (PAC) Agenda Item 3d, May 9, 2012, particularly the section titled “Current Programs/Past Experience” on pages 5-6. The document is available for download at <http://bids.mtc.ca.gov/download/767>.

Q14: Implementation timeframe of RFP, Appendix A, Scope of Work, Task 7?

A14: As stated in the RFP, Appendix A, Scope of Work, the work in Task 7 will be “based on the feasibility of the means-based fare scenarios (the results of Tasks 2 through 6).” MTC does not yet know what, if any, additional support will be needed in Task 7; therefore, MTC cannot give a timeframe for the work at this time.

Q15: Based on the revolution in vehicles technology and connectivity, the role of transit might be dramatically different within 5 – 10 years, how much is MTC looking for scenarios to be forward looking at these issues?

A15: Per the RFP, Appendix A, Scope of Work, Task 3.1, Paragraph 2, the preliminary means-based transit fare scenarios should “address the existing conditions identified in Task 2.” Also, per the Scope of Work, Task 2.2, “the Consultant will meet with MTC staff and the TAC to review existing policies and conditions and discuss implications for developing scenarios under Task 3.” Therefore, while MTC encourages forward-thinking ideas, and there is room in the scope for some scenarios to be more forward-thinking, the TAC will likely have input on how much to take new technology into account. Furthermore, the scenarios should address the needs of the region’s low income residents, as identified in RFP, Appendix A, Scope of Work, Task 2, some of which may be more immediate.

Q16: Are there any background documents that can be provided regarding the next generation of Clipper® and its impacts?

A16: Information regarding the next generation of Clipper® is available in the following MTC Operations Committee memos dated March 7, 2014 and June 6, 2014:

- http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2196/Agenda_Item_3.pdf
- http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2243/item_4_clipper.pdf

Q17: Should the forms required in RFP Section VI, Form of Proposal, Article H, Levine Act Statement, and Part H, Insurance Provisions Form, be completed and signed by all firms on a team, including sub-consultants?

A17: Only the prime firm submitting the proposal needs to complete and submit the RFP, Appendix C, Levine Act Statement and RFP, Appendix D-1, Insurance Provisions Form.

Q18: Under RFP, Appendix D, Standard Consultant Contract, Item 9, Indemnification, the requirement to pay attorney's fees and expenses as they are incurred, and prior to a determination of proportionate liability, is exceedingly burdensome for a small business sole proprietorship. Will MTC consider alternative language for this provision that more equitably distributes responsibility for the costs of any claims?

A18: No.

Q19: Does RFP, Appendix D, Standard Consultant Contract, Item 11, Ownership of Work Products permit the Consultant to retain copies of all work products to demonstrate its capabilities to future potential clients? If not, will MTC consider adding such a provision to this item?

A19: No. Consultant would need to request MTC consent for such retention and use on a case by case basis.

Q20: Section VI, Form of Proposal, Subarticle G, Cost Proposal, and Item 3 requests information on our most recent pre-award audit, if applicable. Are you specifically interested in a pre-award audit conducted by MTC?

A20: No, only the most recent pre-award audit is requested regardless of who conducted the audit.

Q21: RFP, Section VIII, General Conditions, Subarticle D, Public Records, states that other than proprietary information or information exempt from disclosure by law, the content of proposals submitted to MTC will be made available for inspection. We request that MTC protect our detailed cost information from public records requests.

A21: Please refer to RFP, Section VIII, General Conditions, Article D, Public Records, which states "the proposer may not designate any required proposal forms or the cost proposal as confidential. Consequently, any language purporting to render any proposal forms or the cost proposal as confidential or proprietary will be regarded as ineffective and will be disregarded."

Q22: Regarding RFP, Appendix D, Standard Consultant Contract, Attachment E, Insurance and Financial Security (Bond) Provisions. Please clarify that the Consultant's professional liability policy covers work performed by the Consultant. Subconsultants will be required to provide the same level of professional liability coverage to cover performance of professional services under subcontract to the Consultant.

A22: Please refer to RFP, Appendix D, Standard Consultant Contract, Article 12, Subcontracts, which provides detailed language regarding the responsibilities of the Consultant in regards to any Subconsultants, including "failure of a subconsultant to provide insurance in accordance with Article 7, Insurance Requirements, shall be at the risk of CONSULTANT."

Q23: RFP, Appendix D, Standard Consultant Contract, Attachment E, Insurance and Financial Security (Bond) Provisions, Article 1, Workers Compensation states that "Such Workers Compensation & Employers Liability may be waived, if and only for as long as consultant is a sole proprietor or a corporation with stock 100% owned by officers and no employee." Can this language be modified to include single member LLCs with no employees in the list of legal entities where Workers Compensation and Employers Liability may be waived?

A23: If a firm is structured so that it is not required to carry Workers' Compensation, then MTC has already waived the requirement.

Q24. RFP, Section VI, Form of Proposal, Subarticle F, Qualifications and References: Does the "copy" referenced in Item 4 mean a hard copy or are electronic copies sufficient? Can the "written technical report" sample be on any relevant subject? For the "two samples of material developed for a similar study efforts," since means-based transit fare pricing is quite unusual in the United States, can you please define the range of "similar study efforts" that will be responsive to the sample request?

A24: For the sample reports, memos and other materials identified in RFP, Section VI, Form of Proposal, Subarticle F, Item 4, electronic copies are not sufficient. As per page 1 and Section V, Submittal of Proposals, of the RFP "Interested firms must submit an original and six (6) copies, as well as one electronic PDF version, of their proposal..."

Per the RFP, Appendix A, Scope of Work, please "provide at least one sample of a written technical report or memo [...] developed for a similar study effort."

"Similar study efforts" could include, but are not limited to, studies with focus areas and/or tasks that are similar to those found in this RFP. Examples include, but are not limited to, the following:

- Transit fare studies
- Low-income transportation studies
- Scenario planning studies
- Alternatives analysis
- Financial analysis
- Transit ridership forecasting

Q25. Will you please confirm that RFP, Appendix A, Scope of Work, Tasks 1 – 6 address the nine Bay Area public transit fixed route services and do not include ADA or paratransit services?

A25: Per the RFP, Appendix A, Scope of Work, Project Overview, "the purpose of the Regional Means-Based Transit Fare Pricing Phase 1 Study is to develop scenarios for funding and implementing a regional means-based transit fare program or programs in the nine-county Bay Area [...]" There are 26 public transit operators in the nine-county Bay Area, and the RFP, Appendix A, Scope of Work does not restrict the transit fare program or programs to only nine fixed route service providers.

As stated in the response to question #7, per the RFP, Appendix A, Scope of Work, Task 3.1, Paragraph 2, the preliminary means-based transit fare scenarios should "address the existing conditions identified in Task 2" and "the scenarios should encompass a range of possible policy tools." The RFP, Appendix A, Scope of Work does not include a restriction against scenarios that involve ADA or paratransit services.

Q26. Please confirm that the RFP, Appendix A, Scope of Work, Task 7, the optional task if it is exercised, would address ADA, paratransit and other non-traditional transportation services.

A26: As stated in the RFP, Appendix A, Scope of Work, Task 7, the work in Task 7 will be “based on the feasibility of the means-based fare scenarios (the results of Tasks 2 through 6).” MTC does not yet know what, if any, additional support will be needed in Task 7; therefore, MTC cannot confirm or describe at this time what the work will entail.

Q27. The purpose of RFP, Appendix A, Scope of Work, Task 1 is to finalize the scope and schedule of the project including meetings with the TAC. MTC is responsible for setting up meeting[s] and preparing agendas. Will MTC or the selected Consultant be responsible for preparing meeting notes?

A27: The Consultant is not required to prepare meeting notes for the pre-project meeting (see Task 1.1 of the RFP Appendix A, Scope of Work); however, per RFP, Appendix A, Scope of Work, the Consultant will be responsible for preparing TAC meeting notes (see deliverables #2.2, #3.3; #4.2, #5.4).

Q28. It can be valuable to offer an incentive to attract people to participate in a focus group. Will MTC provide funds for this purpose? It could be a minimal cost to pay for a lunch, snack or even transit tickets to travel to the meeting or entry in a drawing to win a free pass.

A28: If a proposer would like to propose to offer incentives for the focus groups, this can be included in the proposed approach submitted as per Section VI, Form of Proposal, Sub-Section D, Overview and Summary. Per the Scope of Work, Task 1.1, “The Consultant will conduct a pre-project meeting with MTC staff *to review project scope, discuss expectations, and develop a final, detailed work scope, including proposed outreach process, deliverables and project schedule*” (emphasis added). If proposed, this alternative can be further explored at the pre-project meeting.

Q29. How will the MTC Travel Demand Model be used as a tool for quantitatively analyzing the alternative scenarios?

A29: If the Consultant would like to propose to use the MTC Travel Demand Model to quantitatively analyze the alternative scenarios that is an alternative that can be explored; however, the costs of that effort would be borne solely by the Consultant.

Q30. Will the current Transit Performance Monitoring (i.e., TDA Audit) firm be able to submit a proposal for and possibly be awarded the contract resultant of the RFP for Regional Means Based Fare Pricing. If so, would the award of the contract for the contract resultant of the RFP for the Regional Means Based Fare Pricing study preclude a firm from submitting a proposal for the rebid of the TDA Audit?

A30: In general, MTC evaluates all submitted proposals to determine whether there exists the potential for bias, because if other activities, relationships or contracts of the Proposer. Such evaluation would apply to proposals submitted for a future Request for Proposals, including in relation to any work performed under an agreement awarded as a result of this RFP. As such, it is possible that a firm awarded the project under this RFP may be ineligible to perform work under future contracts.

The MTC Transit Performance Monitoring Program RFP, Section III, Conflict of Interest Policy, TDA Audits, dated September 10, 2012, states, “The proposer awarded the performance audit contract by MTC may bid on other MTC contracts during the three-year term of the contract. However, the performance audit contract would be taken into consideration during the evaluation to determine the potential for an actual or apparent

conflict of interest between the performance audit contract and the new project the Consultant proposes to perform. Thus, obtaining the performance audit contract may adversely affect a firm's competitive standing in future Consultant selections.”

Additionally, the section states “if a Consultant has an existing or pending contract (not including MTC's current transit performance monitoring program contract) with MTC, it cannot be considered as a prime contractor for this audit contract. If a Consultant wishes to submit a proposal but has a current or pending contract or subcontract with one or more of the operators to be audited, the Consultant must fully delegate the individual audit to a subcontractor who does not have a conflict of interest with the entity being audited. In the event that this is done, the Consultant shall have no review authority over the subject matter of the audit.”

While the next RFP for MTC Transit Performance Monitoring is yet to be drafted or issued, there is a strong likelihood that this policy or a similar policy will still apply; therefore firms should take this policy into consideration when deciding whether or not to submit a proposal for the Regional Means-Based Transit Fare Pricing RFP.

Q31. Standard of Care. The current language in Article 1 and Article 23 of the RFP, Appendix D, Standard Consultant Contract, calls for special expertise, which is nebulous and hard to prove that has been successfully achieved. It also could imply a heightened standard of care which would be uninsured, or a fiduciary duty which is strict liability, the highest standard of care, either way we would prefer it be the common law standard of care as that is what our insurance covers. Therefore the following modification is requested: In the performance of its services, CONSULTANT represents that it has and will exercise the degree of professional care, skill, efficiency, and judgment of consultants with *similar experience performing such services in a similar location*—~~special expertise in providing such services~~, and CONSULTANT represents that it carries and will maintain all applicable licenses, certificates and registrations needed for the work in current and good standing.

A31: MTC will not agree to the modification requested.

Q32. RFP, Appendix D, Standard Consultant Contract, Article 9, Indemnification. As written, we could be fully responsible for damages even if we are only partially at fault. This has the potential to expose us to liabilities which would not be covered by our insurance, which only covers us to the extent we caused a problem due to our negligence, errors or omissions. We would prefer the following modifications:

A. Any injury or death to persons or property or pecuniary, financial or economic losses that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by CONSULTANT to the extent caused by any breach of the Agreement or negligent act or omission or willful misconduct of the CONSULTANT or its officers, employees, subconsultants or agents; or

B. Any allegation that materials or services provided by CONSULTANT under this Agreement infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party.

CONSULTANT further agrees to defend any and all such claims, actions, suits or other legal proceedings and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred to the extent caused by the Consultant's negligent performance. If any judgment is rendered against any of the MTC

Indemnified Parties, CONSULTANT shall, at its expense, satisfy and discharge the same.

A32: MTC will not agree to the modifications requested.

Q33: RFP, Appendix D, Standard Consultant Contract, Attachment E, Insurance and Financial Security (Bond) Provisions, Article 4, Umbrella Insurance requires umbrella insurance “in the amount of \$1,000,000 providing excess limits over Employer’s Liability, Automobile Liability, and Commercial General Liability Insurance.” Can this requirement be waived or substituted with higher coverage amounts in the required categories of coverage?

A33: MTC will not be able to adjust its Insurance Requirements for this RFP.